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SIPDIS, SENSITIVE

E.O. 12958: N/A
TAGS: PGOV RO

SUBJECT: ROMANIA ELECTION UPDATE: PNL throws its support to Geoana, isolating incumbent Basescu

REF: BUCHAREST 783 AND PREVIOUS

¶1. (SBU) Summary. With more than 99 percent of votes counted, incumbent President Basescu and Social Democrat (PSD) candidate Geoana will advance to the December 6 Presidential runoff. In a November 22 statement third place finisher Crin Antonescu (National Liberals-PNL) again ruled out supporting Basescu, leaving Geoana at least a temporary edge in courting PNL's 20 percent of the electorate. An OSCE election observation team declared that the contest generally met international standards but noted numerous irregularities. It now seems clear that Romania will not receive the next tranche of its IMF financial package before 2010, leaving the government struggling to pay its bills. End Summary.

¶2. (U) With 99.92 percent of votes tallied, the Central Election Bureau (BEC) released near final results early on November 24: Basescu 32.42 percent, Geoana (PSD) 31.17 percent, Antonescu (PNL) 20.0, Vadim Tudor (Greater Romania Party - PRM) 5.55, Kelemen Hunor (Democratic Union of Hungarians in Romania - UDMR) 3.83, Sorin Oprescu (independent) 3.18, Gigi Becali (New Generation Party) 1.91. Final voter turnout stands at 54 percent, higher than expected. Barring the unforeseen, Basescu and Geoana now advance to the December 6 runoff.

ELECTION OBSERVERS WEIGH IN

¶3. (U) The Ministry of Interior reported the number of electoral "incidents" at 1,327, about evenly divided between urban and rural areas. As reported reftel, many of these involved allegations of vote-buying and most involved the three major parties. In a November 23 preliminary statement, the OSCE Limited Observer Mission praised the election as generally meeting OSCE and international standards, but noted accusations of multiple voting and long lines at special polling stations - many of which closed before all voters were able to cast their ballots. The OSCE team will remain in country to observe the remainder of the campaign and the December 6 runoff.

ANTONESCU AND BASESCU SNARL

¶4. (SBU) Antonescu categorically ruled out November 23 offering any support to Basescu, labelling him a "populist devoid of ideology" and a danger to Romanian democracy. However, he also said this did not automatically translate into support for Geoana. Antonescu called on the PSD to endorse Sibiu Mayor Klaus Johannis as Prime Minister and to support a cabinet based on competence and professionalism rather than political criteria. Geoana promptly announced PSD's willingness to strike a political agreement with PNL. The same day, Basescu denounced Antonescu's inconsistent position on Geoana, whom the PNL leader had criticized on the campaign trail as the puppet of shady interests and media moguls. Basescu reiterated November 24 that he would "rely on voters and not politicians" for re-election.

¶5. (SBU) Antonescu's quick announcement may have been motivated by fear that Basescu's very active negotiators might sway more amenable members of the PNL leadership. At present the PNL electorate seems

divided among Basescu supporters who share the center-right philosophy of his Liberal Democratic Party (PDL) and Geoana supporters, many of whom have grown to hate Basescu. While most PNL members are thought to favor the second option, many local PNL leaders are reportedly concerned that a formal PNL-PSD alliance will be a difficult sell to their voters. Basescu's public statements appear designed to attract this group.

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¶6. (SBU) Meanwhile, the pre-election government crisis and the electoral calendar have all but certainly delayed until early 2010 disbursement of the next tranche of the IMF bailout package. As previously reported, the GOR must pass a CY2010 budget that meets IMF criteria before the IMF Board will vote to release the money. There are indications that the Parliament may be prepared to consider the budget as soon as a new Government is formed following the December 6 runoff. However, inauguration of the new president, nomination and approval of the new Government and presentation of the budget could well take several weeks. Even were an IMF team able to visit Bucharest and report back to the IMF Board before the New Year, the Board itself would not likely convene for a vote during the holiday season. That poses an even greater challenge to a GOR already struggling to pay this year's bills.

¶7. (SBU) COMMENT. The acid exchange between the Basescu and Antonescu camps gives Geoana the upper-hand, at least for now. Pundits predict that half of Antonescu's support could go to Geoana and one quarter to Basescu, with the remainder staying home. Even if that is correct, about half of the undecided electorate still remains ripe for the taking, with far-Right and ethnic Hungarian voters comprising 12 percent of the electorate. The ethnic Hungarian UDMR is scheduled to meet later today to discuss whom to support, and no one expects Basescu to sit back and cede undecided votes to Geoana. There are deals to be made out there.

GITENSTEIN